

UNITED STATES COURTS
SOUTHERN DISTRICT OF TEXAS
ENTERED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION

APR 18 2001

MICHAEL N. MULBY, CLERK OF COURT

IN RE:

SENTRY OPERATING COMPANY OF
TEXAS, INC.

CASE NO. 01-

SENTRY GROUP SERVICES, INC.

CASE NO. 01-

SENTRY OPERATING CO.

01-60129-V2-11
CASE NO. 01-

SENTRY OPERATING WEST, INC.

CASE NO. 01-

SENTRY OPERATING COMPANY
OF COLORADO, INC

CASE NO. 01-

SENTRY OPERATING COMPANY
OF KANSAS, INC.

CASE NO. 01-

SENTRY OPERATING COMPANY OF
NEW MEXICO, INC.

CASE NO. 01-

SENTRY SERVICES AGENCY, INC.-DEL

CASE NO. 01-

SENTRY SERVICES AGENCY, INC. -
NEW MEXICO

CASE NO. 01-

CREMATION SOCIETY OF OKLAHOMA,
INC.

CASE NO. 01-

FUNERAL SERVICE MANAGEMENT, INC.

CASE NO. 01-

AMEY FUNERAL HOME, INC.

CASE NO. 01-

DEBTORS

JOINTLY ADMINISTERED
UNDER

CASE NO. 01-

**ORDER GRANTING DEBTORS IN POSSESSION'S MOTION TO DETERMINE
ADEQUATE ASSURANCE OF PAYMENT OF UTILITY SERVICE PROVIDERS**

The Debtors' Motion to Determine Adequate Assurance of Payment of Utilities Pursuant to 11 U.S.C. §§ 366 (the "Motion") filed by the Debtors came on for hearing on regular notice. Notice of the Motion was proper and appropriate under the circumstances. There were no responses timely received by the Debtors with respect to the Motion. The Court has considered the Motion, the facts and circumstances of this case, and the arguments and representations of counsel presented at the hearing. Based on the foregoing, and good cause appearing therefor, it is

ORDERED that:

1. The Motion is granted.
2. The following offer by the Debtors presented in the Motion is sufficient to preclude unilateral termination by a utility under 11 U.S.C. §§ 366(b):

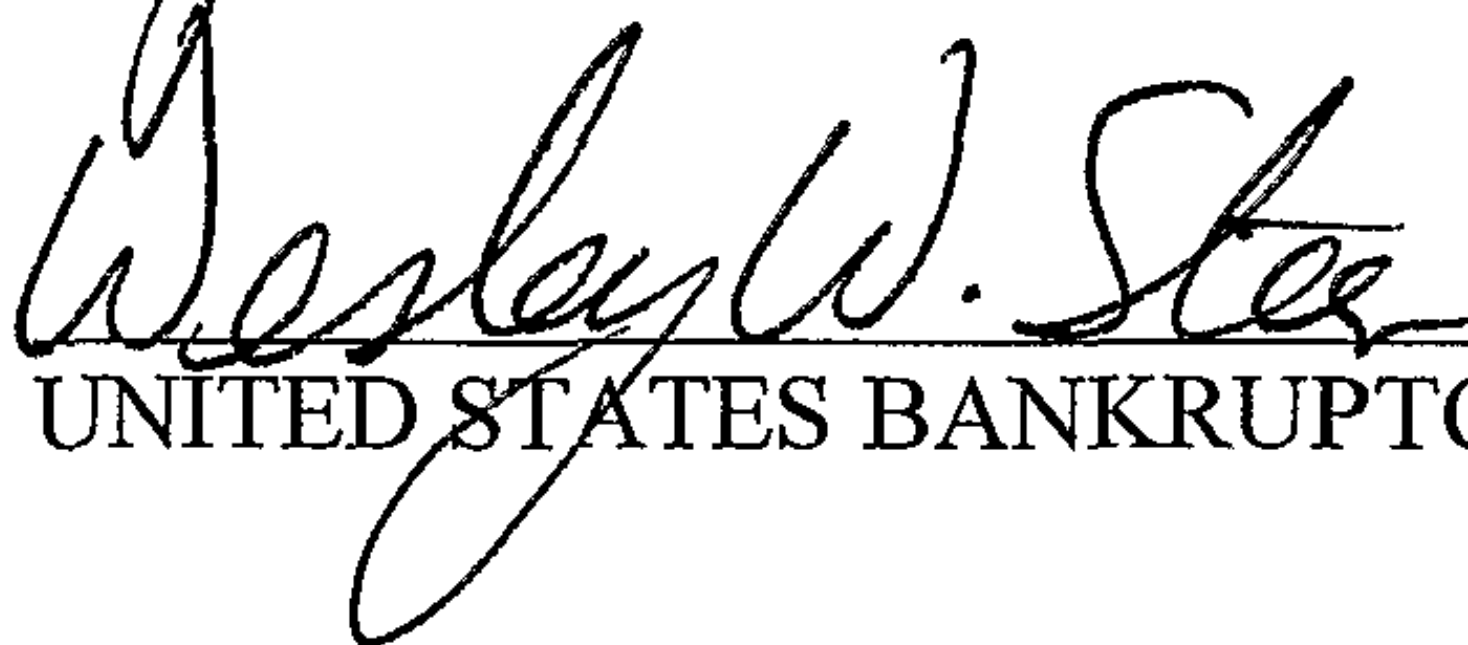
- a. The Debtors shall timely pay either directly or through a consolidated billing service for all post-petition utility services pursuant to the terms of the invoices and billing statements generated by the utility companies in the ordinary course of business;
- b. In the event that the Debtors fail to timely pay for post-petition utility service pursuant to any proper invoice, the Debtors shall have a ten (10) day period to cure such nonpayment, which (10) day period shall begin to run automatically from the date of the Debtors' receipt of the nonpayment notice from the utility company;
- c. Should the Debtors fail to pay the invoice within the ten (10) day time period after receipt of notice of default, the utility company shall be entitled to alter, refuse or discontinue service, without further Court order;
- d. If a utility company maintains more than one account for the Debtors, the failure to pay for post-petition utility services with respect to one account shall not be deemed a failure to pay or "cross-default" with respect to any other account, provided that such other account is being paid. Each failure to pay, each requirement of a deposit, and the ability to alter, refuse or discontinue service shall arise on an account-by-account basis; and
- e. To the extent that a utility company provides post-petition services that are unpaid, such utility company shall be entitled to an administrative claim,

pursuant to 11 U.S.C. §§ 503(b)(1) and 507(a)(1), payable upon confirmation of a plan of reorganization or such earlier date as determined by the Court. Further, existing deposits, if any, held by the Debtors' utility providers may be offset against any past due pre-petition invoice upon notice of such offset to the Debtors and without necessity of Court order or prior notice to creditors. Moreover, existing utility bonds held by the Debtors' utility providers may be offset against any past due pre-petition invoice upon notice of such offset to the Debtors, upon compliance with all notice or claim procedures set forth within the utility or surety bond documents, without necessity of Court order or prior notice to creditors.

3. This Order does not preclude any utility from seeking an order of the Court requesting a reasonable modification of the adequate assurance provisions set forth herein, after notice and hearing, pursuant to 11 U.S.C. §§ 366(b).

4. Utility providers are prohibited from unilaterally altering, refusing or discontinuing utility services to the Debtors so long as the Debtors are in compliance with this Order, subject to possible subsequent modification by the Court after notice and hearing.

SIGNED this 18th day of April, 2001


UNITED STATES BANKRUPTCY JUDGE